

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

ITV DIRECT, INC., )  
Plaintiff, )  
v. )  
HEALTHY SOLUTIONS, LLC, )  
Defendants. )  
\_\_\_\_\_  
CAPPSEALS, INC., )  
Plaintiff-in-Intervention ) C. A. No. 04-CV10421-JLT  
v. )  
HEALTHY SOLUTIONS, LLC, d/b/a )  
DIRECT BUSINESS CONCEPTS; ITV )  
DIRECT, INC., AND DIRECT )  
FULFILLMENT, LLC., )  
Intervenor-Defendants. )  
\_\_\_\_\_

**EXHIBIT A**



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August 12, 2005

**VIA FACSIMILE**

(617) 345-7050

Daniel J. Kelly  
Gadsby Hannah LLP  
225 Franklin Street  
Boston, MA 02110

Re: **ITV Direct, Inc. v. Healthy Solutions, LLC, et al.**  
**U.S.D.C. C.A. No. 04-cv-10421-JLT**

Dear Mr. Kelly:

I am writing to set forth a proposal to resolve the judgment obtained by Cappseals. I am sure you are well aware of most of what I am going to say, but I think it is useful to have it in one place and in writing. This letter is subject to the provisions of Rule 408 of the Federal Rules of Evidence.

ITV and Direct Marking are the subject of an FTC action pending before Judge O'Toole. There is a restraining order outstanding prohibiting those parties from making any expenditures other than in the ordinary course of business. There is a pending motion by the FTC to amend the restraining order for the appointment of a receiver, which would result in the immediate liquidation of the companies and would render your judgment forever uncollectible. The hearing on that request is scheduled for September 20, 2005.

As for your judgment, your recently filed motions correctly acknowledge that recovery against ITV is problematic. While you may attempt to have DMC or its owners held liable for the debts of ITV, you and I both know that is a difficult claim to prove under the best of circumstances. In this case, the companies maintained separate records, made appropriate tax filings, and otherwise maintain the corporate formalities sufficient to prevent a piercing of the corporate veil. Your effort to establish the liability of DMC and its owners will obviously entail significant discovery and a trial at some point in the distant future. Of course, at the end of that day, even if you prevail, the FTC action is likely to be resolved first and may render your efforts fruitless.

We are prepared to make a proposal to resolve the claim but can do so only within the parameters that we believe the FTC and/or Judge O'Toole would accept. I have been authorized to

ATLANTA BOSTON CHICAGO HOUSTON LOS ANGELES NEW YORK SACRAMENTO SAN FRANCISCO WASHINGTON, D.C. BRUSSELS



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offer to pay to Cappseals the sum of \$300,000 in three equal monthly installments in full satisfaction of the judgment. I believe we can obtain FTC consent to this arrangement.

Very truly yours,



Peter S. Brooks

PSB/kmg